

# SOCIALIST PRESSURE PUT ON MAYOR LUNN



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## MILLIONS IN DIVIDENDS AS I. R. T. BORROWED

### SEVEN POINTS IN THE TREATY SETTLED, 5 OTHERS NEARLY SO, WHEN BITTER ENDERS REVOLTED

Agreement Had Been Reached On Preamble and Other Clauses of Reservation.

ISSUE ON ARTICLE TEN.

Several of Lodge's Provisions Had Been Left In Tact By Conference.

WASHINGTON, Jan. 28.—Exact information concerning the status of the bi-partisan treaty conference, obtained to-day, showed that when the treaty was interrupted by the "irreconcilables" and Senator Lodge's ultimatum, agreement had been reached on seven points, with tentative agreements on five others. The conference will be resumed to-morrow.

The agreements and partial understandings covered twelve of the fifteen divisions of the Lodge reservations. Following summary shows the exact status of negotiations, with the terms of agreement and tentative agreement:

**PREAMBLE.**—The conference had agreed to strike out the words providing for acceptance of the American reservations by at least three of the four principal allied and associated powers, through an exchange of notes, leaving the preamble to provide simply for acceptance. The conference then added these words:

"And the failure on the part of the allied and associated powers to make objections to such reservations and understandings prior to the deposit of the ratification by the United States shall be taken as full acceptance of such reservations and understandings by said powers."

**WITHDRAWAL FROM LEAGUE.**—On this reservation a tentative agreement had been reached to provide that notice of American withdrawal should be made through a joint resolution of Congress instead of a concurrent resolution as provided by the Lodge reservation. This would give the President the power to veto the action of Congress on withdrawal.

**ARTICLE X.**—The proposed compromise on this article had been agreed to by most of the Senators present except as to the question of assumption by the United States of an obligation to interfere in controversies between nations whether members of the League or not. The proposed Article X reservation reads:

"The United States assumes no obligations to employ its military or naval forces or by economic boycott to preserve the territorial integrity or political independence of any other country or to interfere in controversies between nations, whether members of the League or not, under the provisions of Article X, or to employ the military or naval forces of the United States under any article of the treaty for any purpose, unless in any particular case, the Congress, which under the Constitution, has the sole power to declare war, shall by act or joint resolution so provide. Nothing herein shall be deemed to impair the obligation of Article XVI concerning the economic boycott."

**MANDATES.**—The Lodge reservation on this point was accepted unchanged. It provides that Congress must decide whether the United States shall accept a mandate.

**DOMESTIC QUESTIONS.**—The Lodge reservation, reserving to the United States the right to decide what questions are within its domestic jurisdiction, was accepted unchanged.

(Continued on Fifth Page.)

### I. R. T. BORROWED WHILE DIVIDENDS WERE \$20,000,000

Floats Loan of \$47,000,000 on Claim It Was Short of Funds.

BIG QUEENS HOLDINGS.

Seventh Ave. Subway Equipment Cost Raised Without Warrant, Is Charge.

Between 1913 and 1917, while the Interborough was claiming that it was short of funds and obtained permission from the Public Service Commission to float a loan of \$47,000,000 for equipment cost, under Subway Contract No. 2, the new Seventh Avenue line, it distributed more than \$20,000,000 in dividends. This was admitted to-day by Edward F. Gaynor, auditor of the Interborough, at the Board of Estimate's investigation of that system.

Corporate Counsel Burr, in cross-examination of Mr. Gaynor, called attention to the fact that the original estimated cost of the equipment which the Interborough proposed installing under Contract No. 2 was only \$22,000,000. This amount was without just warrant raised to \$47,000,000, the Corporation Counsel contended, the \$25,000,000 additional cost being saddled on the subway and thereby on the taxpayers of the city on the ground of war prices.

"The contract for the \$25,000,000 equipment under agreement No. 3 was made in 1913," Mr. Burr argued. "We were not at war in 1913 and 1914. Why wasn't this equipment obtained in 1913 and 1914? The Auditor of the Interborough says there was a surplus of \$36,000,000, and there was more than \$20,000,000 in dividends."

"In the face of this the Interborough application for the right to charge higher fares says the situation is 'supremely urgent' and 'that we have stripped ourselves of practically every dollar and are not in debt, and that we have got to the end of our resources.'"

"I protested against the issue of the additional \$25,000,000 worth of notes. Contending that it meant negligence on the part of the Interborough to purchase materials before our participation in the war, and that it would not be just to deduct this sum from the revenues of the new Interborough subway."

The Interborough's total investments in Queens lines amounts to \$26,000,000, company officials testified.

Mayor Hylan brought out that it cost \$348,000 for power on Queens lines and that the total revenues of the line did not exceed \$1,000,000 in a given year. The Interborough supplied the power but none of the officials could remember what price per kilowatt was paid. Interborough officials could tell what the total of bankers' commissions for the flotation of various securities amount to.

When the inquiry was resumed there was a three-cornered row in which Mayor Hylan, Alfred A. Cook, representing the trustees in bankruptcy of the Interborough Consolidated, and Job E. Hedges, receiver of the New York City Railway Company, were the principals. Mr. Hedges said as the New York City Railway Company was in a bad financial way he wanted the investigation of that company taken up, as he understood Mayor Hylan laid claim to having exploded the Interborough's claim for an eight-cent fare.

"You are not going to mix us up," Mr. Hedges warned the Mayor. "You traction fellows are all in the same pot, and you know it."

"But we use a different kind of liquid," retorted Mr. Hedges. "I believe you asserted, Mr. Mayor," said Cook, "that the \$245,000,000 represented pure velvet. Whether or not that is the present situation will not be relieved by announcements that there is a lot of velvet." He insisted he had a perfect right to be heard, but the Mayor decided he had not.

### MISS PHIPPS' SUIT AGAINST FORMER SUITOR SETTLED

Tenack Society Girl Who Demanded \$50,000 Heart Balm Accepts \$3,625.

FERVID LOVE NOTES.

W. R. Smith Wrote Her He "Saw Her Name in the Clouds."

Miss Mary Lillian Phipps, twenty, beautiful and one of the leaders of Tenack's younger set in New Jersey, to-day in the Circuit Court of Hackensack compromised her \$50,000 breach of promise suit against William Russell Smith, leading dry goods merchant of Tenack and Sunday-school teacher of the West Side Presbyterian Church of Englewood, N. J., for \$3,625.

Miss Phipps is the daughter of George Phipps of New York, a type-writer inventor and said to be very rich, and a descendant of Sir William Phipps, the first Royal Governor of Massachusetts.

Her complaint contains about forty letters through which she says Smith poured out his love for her. She says Smith first proposed to her during a ride in the Van Loan automobile to Asbury Park on last Easter Sunday and that she refused him.

The suit was persistent she declared, and on June 4 she consented to become his wife and set the day for the following October. In July Mr. Smith experienced a change of heart. She said he telephoned thus:

"I'm through with you, Lillian. You told friends of mine I was a greenhorn and a boob."

Miss Phipps says she was humiliated and wanted to die. Then she brought the suit and says Smith's friends tried to buy his letters from her, excerpts of which are subjoined to the complaint. Here are some of the alleged excerpts:

"You are the sweetest little girl that ever was."

"The beauty of love lies in its life. My beloved, how beautiful you are. You have called me forth to life. I see your name on the clouds and I love to hear your plaintive voice say 'My Bill.'"

Here is another:

"Sweetheart—Do the birds tell you I love you? Do the flowers"

(Continued on Second Page.)

### SAYS SHOE POLISHER MAKES \$225 A WEEK

Wife, Suing for Separation, Declares He Wouldn't Give Her Dime for Movies.

Peter B. Stefano, a shoe polisher who makes \$225 a week, according to his wife, Mrs. Josephine Stefano, was sued by her to-day in the Brooklyn Supreme Court for separation. Mrs. Stefano asked for temporary alimony of \$50 a week. She charges cruel and inhuman treatment, and says that Stefano refused to give her 10 cents to go to a "movie."

The couple were married in 1912. Stefano's polishing stand is at No. 737 Metropolitan Avenue, Brooklyn. Decision was delayed on the application for alimony.

Urges Mail Tubes Here.

WASHINGTON, Jan. 28.—Construction of mail tubes connecting the Pennsylvania and Grand Central Railroad stations in New York was urged to-day by Assistant Postmaster General Koons before the Senate Post Office Committee.

### MISS MARY PHIPPS, WHO ASKED \$50,000 FOR BROKEN TROTH



### MOVE IN CONGRESS TO KILL GAMBLING ON HORSE RACES

Secret Work For Bill to Prohibit Sending of Odds By Mail or Wire.

WASHINGTON, Jan. 28.—Reform forces in Congress are quietly organizing for an offensive against horse racing and gambling. The fight will not be started in the open until its adherents are certain they have enough votes pledged for victory.

The Senate Judiciary Committee has before it a bill introduced by Senator Sterling, South Dakota—relative to prohibition legislation—to bar sending of all kinds of betting odds through the mails or over telephone or telegraph wires. This measure, its sponsors believe, will strike a crippling blow at horse racing in the United States.

"This bill is not aimed directly at gambling," Sterling said to-day. "It attempts to prevent nullification of State anti-gambling laws by forbidding sending of betting odds across State lines. It does to gambling just what the Bone Dry Law did to the liquor traffic."

The Congressional machinery which was so effective in the passing of Prohibition legislation is being made ready for the anti-gambling drive.

### BIG MILLS TO SHARE PROFITS AND LOSSES EQUALLY WITH MEN

Knitting Concern Will Pay Employees 50 Per Cent. of Gains—Workers Will Help Meet Deficit.

WESTFIELD, Mass., Jan. 28.—A PLAN contemplating an equal division of net profits and net losses annually between the company and its 1,200 employees, and containing provisions by which the workers may take over control of the business, was announced to-day by Winthrop, Bolt & Co., owners of the Harvard Knitting Mills, engaged in underwear manufacture. The employees, who in recent years have received an annual bonus of 15 per cent, agreed to accept the plan.

In a profitable year the company will credit 50 per cent of the net profits to employees. Those of one year's standing will receive 25 per cent of their earnings; those employed longer will have 1 per cent additional for each year of service. Individuals will receive one-half their share in cash, the other half to remain in the business at 4 per cent interest. Provision is made for caring for old-age pensions, disability insurance and for dependent widows and children of employees.

In a year of unprofitable operations the deficit will be shared equally between proprietors and employees.

### 5,589 NEW CASES OF FLU BUT DEATHS DROP 85 PER CENT

Sixty Per Cent. Reduction in Pneumonia Fatalities in Comparison With 1918.

COPELAND IS HOPEFUL.

Doctors' Reports Show Illness Prevalent This Year Is of Mild Form.

Making public to-day figures which showed that in the twenty-four hours ending at 10 A. M., the number of new cases of influenza reported in New York was considerably larger than that which marked the peak of the epidemic of 1918, Health Commissioner Royal S. Copeland was prompt to take the pulse out of his figures by comparing the total number of deaths.

"In 1918," the Health Commissioner said, "the largest number of new cases reported on a single day was 5,320, on Oct. 23, but there were 461 deaths from influenza that day and 330 from pneumonia—a total of 861."

"To-day, although 5,589 new cases of influenza and 686 of pneumonia are reported, the deaths from influenza are 67 and pneumonia 118, a total of 185."

The figures show that the percentage of deaths from influenza is 85 per cent smaller than in the 1918 epidemic and the percentage of pneumonia deaths is 60 per cent smaller.

Following are the new cases reported to-day:

Influenza	Pneumonia
Manhattan	2,553
Brooklyn	1,565
Bronx	177
Queens	226
Richmond	128
Totals	5,589
Yesterday	3,663
To date since Jan. 1, 1920	4,531

DEATHS.	
Manhattan .....	32
Brooklyn .....	27
Bronx .....	2
Queens .....	6
Richmond .....	1
Totals .....	67
Yesterday .....	67

"All the figures," Dr. Copeland said, "indicate that the epidemic is much less fatal than that of 1918. This morning I talked with twenty or thirty physicians and they all said that the cases are of a mild nature."

(Continued on Second Page.)

### BUTTER AND EGG PRICES GO LOWER.

Three-Cent Decline in Western Firsts and Butter of Extra Variety Drops Two Cents.

Wholesale prices of eggs and butter took another drop to-day. Western fresh eggs declined to 62 1/2 to 63 cents a dozen, against 64 cents yesterday and 72 cents Monday. Experts say fresh eggs should be available at a retail price of not more than 70 cents a dozen.

Butter of the extra variety dropped to 62 cents, a decline of 2 cents. The price was 65 cents Monday.

The decline of the last two days is due to the arrival of large quantities of butter and eggs that had been held back by the cold weather. A further drop in the price of both is predicted.

The price of navy butter was cut to 67 cents a pound (retail) to-day by Dr. Jonathan C. Day, following orders from navy officials releasing another 500,000 pounds of butter for distribution.

To meet the demand for evaporated milk, of which the supply had been exhausted in the food stations, the navy released 125,000 cans of evaporated milk and promised another 600,000 cans. These are "half-can" size and will be sold at 41-2 cents each, Dr. Day said.

### ALBANY TRIAL DENOUNCED BY SCHENECTADY MAYOR, WHOM SOCIALISTS EXPELLED

Lunn Tells of Refusal to Let Party Dictate His Course—"Left Wing," Not Regular Organization, Quoted in Letter Sent to Martens.

By Martin Green.

(Special Correspondent of The Evening World.)

ALBANY, Jan. 28.—George R. Lunn, Mayor of Schenectady, who five or ten years ago was very much in the public eye as the only Socialist Mayor of a large city in the country, was the commanding figure in the trial of the Socialist Assemblymen to-day.

He told, when called as a witness for the prosecution, how he was kicked out of the Socialist Party in 1915 when he refused to remove from office a man not agreeable to the Socialist Executive Committee of Schenectady.

Mr. Lunn was a double-barreled witness. He furnished an example of an official expelled from the Socialist Party because he would not obey the orders. Then he expressed the opinion that the proceedings in which he appeared as a witness were illegal and irregular.

"I am very much opposed to the procedure by which the Assemblymen were suspended and are now on trial," he said. "My antagonism to the Socialist Party is very great, but it does not prevent me from thinking their representatives in the Assembly should get a fair, legal trial. My stand is about that of the bar association's and other legal bodies which have protested against these proceedings."

Mayor Lunn is now the Democratic Mayor of his town. He served in the House of Representatives from March 1917 to March 1919 and was elected Mayor last October.

Mr. Lunn said he was a Socialist in 1910. He was nominated for Mayor in 1911 and after a tempestuous campaign was elected.

"On this night before election, about 11 o'clock," he said, "Charles Noonan and Russell Hunt, the leaders of the party in Schenectady, came to me and submitted a blank resignation which they asked me to sign. This aroused my ire, but after a hot argument I signed it."

Mayor Lunn toward the close of his cross-examination said that in his judgment all political parties are alike when it comes to trying to get all they can out of men they elect to office, but, he said, the Socialist Party is different in the respect that its demands are in effect mandates. LUNN GIVES DETAILS OF HIS EXPERIENCE.

Mr. Lunn, when questioned about his experience with the Schenectady Socialists, asked permission to reply in the form of a statement. In effect he said:

"I considered the resignation blank more or less child's play. I knew it was not legal. There was no serious division of opinion with the organization during my first term, but I made up my mind I would never sign the resignation blank again."

"When I was re-nominated in 1915 I refused to sign. I was beaten that year and I attribute my defeat to some extent to lack of faith on the part of the people—they lacked confidence in a Socialist bound to the rule of the Socialist party."

"Before I was re-nominated in 1915 I came out with a statement repudiating the provision of the Socialist constitution requiring a candidate to sign a resignation in blank, and I stated in the open convention that I would not be dictated to. There was violent opposition in the party to my stand but I was re-elected."

"When it came to making appointments, attempts to influence me were made and the outcome was that whole Schenectady local was fired out by the State Executive Committee and

WORLD RESTAURANT.